

**CITY OF CASTROVILLE CITY COUNCIL
REGULAR CALLED COUNCIL MEETING**

**1209 Fiorella
City Council Chambers**

January 28, 2020

Tuesday

6:00 P.M.

MINUTES

I. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Mayor Phyllis Santleben.

II. ROLL CALL

Present:

Mayor Phyllis Santleben

Mayor Pro Tem Herb Dyer

Councilmember Sheena Martinez

Councilmember Paul Carey

Councilmember Jesse Byars

Councilmember Todd Tschirhart

Leroy Vidales, Interim City Administrator/Finance Director

Debra Howe, City Secretary

Brian Jackson, Police Chief

John Gomez, Public Works Director

Devin Fredrickson, Parks and Recreation Director

David Kirkpatrick, Airport Manager

Others in attendance:

City Attorney Habib Erkan, Denton, Navaro, Rocha, Benal and Zech

III. PLEDGE OF ALLEGIANCE

IV. INVOCATION

Pastor Allen Deardorff, Friends of Christ Church gave the invocation.

V. CITIZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations/distractions will not be permitted. No placards, banners or signs will be permitted in the Chambers or in any

Ralph Minard, owner of RAM II, spoke to the city council on the 2017 Eastside Lift Station Project. Mr. Minard said the issues with the project was not his fault but due to the city not having easements from landowners, this caused a delay of starting the project. Mr. Minard said he had also assisted on other projects and had not been paid by the city for his work. Mr. Minard said the city allowed a contractor to drill into and connect service to the line causing the debris in the line and he was not responsible for the problems.

Bob Lee, 1314 Gentilz, spoke to the city council on the Airport Lease Agreements. Mr. Lee said he had sent council his suggestions on the agreement with the Skydiver hangar and land lease. Mr. Lee said the Airport Manager said at a previous meeting there were numerous lease agreements and a basic template for a hangar and office space was necessary. He agreed a basic template was needed but the different lease agreements were due to tailoring to different business needs and this would be the case again.

Mr. Lee felt the Skydiver agreement needed to be reviewed further before a decision was made. He felt the language for mowing put the responsibility on the city not the owner; the cost to lease the land for the landing area was too low, he urged the city to get comparisons to help calculate a better price. He also said Hangar 3 lease did not identify parking or possibility of taxiing aircraft conflicting with neighboring hangar. The internal construction costs should be the responsibility of the tenant not city, address possible overnight guests stays at the hangar, and any legal obligations the city may have with this agreement. Mr. Lee said he was in support of the Skydiver business but wanted the council to make sure the agreement protected the city.

Eric Cherry, 110 Tumbleweed, spoke to city council on the approval of \$75,000 to televise sewer lines at the previous council meeting. Mr. Cherry felt as in the past the city would not act on the result and it would be a waste of city funds. Mr. Cherry asked about what funding was available for the repairs. Mr. Cherry also agreed the cost for the Skydiver land lease at the airport was too low and should be much higher to offset cost of maintenance.

VI. CONSENT AGENDA

- A. Minutes for January 14, 2019 Regular Called Council Meeting.
- B. Minutes for December 02, 2019 Airport Advisory Board Meeting.
- C. School Choice Week Proclamation.

Mayor Pro Tem Dyer had two corrections to the January 14th minutes. Mr. Dyer said Attorney Scott Tschirhart was left off the attendees and change the Airport Liaison to Jesse Byars.

Mayor Santleben read the School Choice Week Proclamation.

A motion was made by Councilmember Carey and duly seconded by Councilmember Martinez to approve the remaining consent agenda with noted corrections. A vote was taken (5:0 all ayes) the motion carried by all present.

VII. Swearing-In Ceremony of Officers: Administrative Sergeant Ashley Skolwek, Patrol Sergeant Joseph Kotara, and Reserve Officer David Rodriguez. **(Phyllis Santleben, Mayor/Brian Jackson, Police Chief)**

Mayor Santleben swore in newly promoted Administrative Sergeant Ashley Skolwek and Patrol Sergeant Joseph Kotara. Reserve Officer David Rodriguez was unable to attend the meeting.

VIII. Consider and take appropriate action on a request from the Chamber of Commerce to provide funding for a promotional video in the amount not to exceed \$2500. **(Leroy Vidales, Interim City Administrator)**

Interim City Administrator Leroy Vidales said the city had received a request from the Chamber of Commerce for \$2500.00 to offset the cost of a promotional video showcasing Old Fashion Christmas. Mr. Vidales said if approved HOT Funds could be used. Mr. Vidales said the video was shot December 6th of 2019 would be shown this year on the December 21-22nd segment of YOLO Texas. Councilmember Byars said he wished the segment would be shown earlier to promote the event.

Mayor Pro Tem Dyer felt the city would not necessarily benefit from the video and felt the city should only commit to \$1000.00.

A motion was made by Mayor Pro Tem Dyer to approve a request from the Chamber of Commerce to provide funding for a promotional video in the amount not to exceed \$1000. There was no second. The motion died by lack of a second.

Council requested a representative from the Chamber of Commerce attend the next meeting to provide information on their request.

IX. Consider and take appropriate action on approving standard Airport Hangar and Office Lease template. (David Kirkpatrick, Airport Manager)

Airport Manager David Kirkpatrick briefed the city council on the updated versions of the templates for the Airport Hangar and Office Lease agreements to be in compliance and have consistency. Mayor Santleben asked that they look and act on each template separately if council agreed. Councilmember Carey said he would like to have more time as he had not been able to review completely. Mr. Kirkpatrick said he could continue with the current lease and come back at a later meeting. Councilmember Tschirhart asked if the city attorney had reviewed. Mr. Kirkpatrick said assistant City Attorney Cynthia Trevino and TxDOT were involved. Mr. Tschirhart said he was ready to move forward. Mayor Pro Tem Dyer was pleased the CIP language had been added back into the document. Mayor Santleben asked why the CIP was important to the city. Mr. Kirkpatrick said the council needed to review each year and it helped to regulate increases. Councilmember Byars was in favor. Councilmember Martinez wanted to make sure the city was covered in the cases of no insurance on property at the airport. Airport Chairman Mike Arnold was recognized and asked if the templates were recommended by the board. Mr. Arnold said the board had not been consulted but he had presented to council in 2016 the rules and regulations for their review and that the guidelines that are to be followed. Mayor Pro Dyer felt the information council was provided by Mr. Lee should be looked at and have the template brought back after the airport board reviewed.

A motion was made by Councilmember Tschirhart and duly seconded by Councilmember Carey to approve a standard Airport Hangar template. A vote was taken (3 ayes: 2 nays (Byars and Dyer) the motion carried by a majority vote.

Discussion continued on the Office Lease template. Councilmember Martinez asked that the verbiage related to airplanes and utilities be removed from the office template. Mr. Kirkpatrick said he would change the language. Councilmember Byars was in favor if the language was changed and length of agreement could be reduced with better clarification.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Byars to approve the standard office lease template with removal of language related to hangars/airplanes. A vote was taken (5:0 all ayes) the motion carried by all present.

X. Discussion and appropriate action on land lease agreement with DKL Leisure LLC/Skydive Castroville. (David Kirkpatrick, Airport Manager)

Airport Manager David Kirkpatrick briefed the city council on the land lease agreement with DKL Leisure LLC/Skydive Castroville for a new landing area. Mr. Kirkpatrick read a letter from owner, Randall Fortner, who was unable to attend due to illness. Mr. Kirkpatrick said two other members of the family were present to speak on behalf of the business. Mr. Fortner's son and daughter briefed the

city council on their first year of operation at the airport. Even though their hangar was damaged severely they had a good year and looked forward to a better year in the new hangar. Mr. Kirkpatrick said with the move to hangar #3 the business needed a larger land area. In the agreement the language indicated the city would provide mowing of the area. The Fortners' said they would maintain the land and the city would be the backup. Councilmember Martinez asked that language be included to remove all equipment when city mowed. Councilmember Carey felt the border outline of the landing area should follow hangar outline not road. Councilmember Byars asked how the amount of \$660.00 was derived. Mr. Kirkpatrick said it was the amount paid by the farmer, \$51.00 per acre plus \$9.00 for 11 acres. Mr. Byars said he felt the amount should be more because he had contacted an independent contractor and to mow the land it would be \$500 for the 11 acres. He was concerned if the city had to mow several times due to a wet season. Mayor Pro Tem Dyer agreed the borderline should be straight and had no problems with the mowing. He asked if the board had seen the agreement. Mr. Arnold said they had not. City Attorney Habib Erkan said if the city was doing the mowing, language needed to be included, to state the city would determine when to mow the designated area.

A motion was made by Councilmember Byars and duly seconded by Councilmember Carey to approve the land lease agreement with language stating the Airport/City would determine the mowing schedule and change the borderline on the designated landing area. A vote was taken (5:0 all ayes) the motion carried by all present.

XI. Discussion and appropriate action on a lease agreement for Commercial Hangar #3 with DKL Leisure LLC/Skydive Castroville. (David Kirkpatrick, Airport Manager)

Airport Manager David Kirkpatrick briefed the city council on the new lease for Hangar #3 with DKL Leisure LLC/Skydive Castroville. Mr. Kirkpatrick said they had been displaced due to the storm damage to their previous hangar several months ago. Mr. Kirkpatrick said they wish to stay in the larger hangar but wanted to build classrooms and restroom facilities inside. Mr. Kirkpatrick said the construction was not part of the agreement at this time and would be brought back at a later date. Airport Chairman Mike Arnold said the business needed a basic lease agreement and the airport board could be involved in the improvement request. Mayor Pro Tem Dyer said with the reduction in rent they would make improvements with the city taking ownership at the end of the lease. He saw this was different and wanted the Airport Board to be involved with the discussion to make recommendations on the construction phase. Mayor Pro Tem Dyer said he had spoke with others and they did not want the city to bear any out of pocket expenses and look at how and when to increase rental fees. Councilmember Martinez said she had spoken with tenants who were concerned with the septic system installation and construction causing issues with others. Mayor Pro Tem Dyer felt the city should look at running sewer to hangars. Councilmember Tschirhart asked if there would be a change to the lease amount of \$1800.00 if no buildout. Mr. Kirkpatrick suggested leaving in and would work to get a decision.

A motion was made by Councilmember Byars and duly seconded by Councilmember Tschirhart to approve the lease agreement with the removal of Exhibit G and refer to the Airport Board for recommendations on construction.

Councilmember Carey clarified what was Exhibit G – which was the construction diagram.

A vote was taken (5:0 all ayes) the motion carried by all present.

XII. Discussion and appropriate action on a lease agreement for Commercial Hangar #2 with Aviation Trade Inc. (David Kirkpatrick, Airport Manager)

Airport Manager David Kirkpatrick briefed the city council on the lease agreement for Commercial Hangar #2 with Aviation Trade Inc. Mr. Kirkpatrick said Enrigue Mendoza currently occupied an office at the terminal building and two smaller hangars. Mr. Mendoza wished to move into Hangar #2 which had recently been reconstructed after the storm and this would open up two hangars for someone on the waiting list.

A motion was made by Councilmember Byars and Councilmember Carey to approve a lease agreement for Commercial Hangar #2 with Aviation Trade Inc. A vote was taken (5:0 all ayes) the motion carried by all present.

XIII. Consider and take appropriate action on approving the purchase of a Genie Telehandler in the amount not to exceed the budgeted amount of \$65,000. (John Gomez, Public Works Director)

Public Works Director John Gomez briefed the city council on the purchase of a Genie Telahandler. Mr. Gomez said the machine would be used at the wastewater treatment plan. Mr. Gomez said the city was leasing one at this time and would be more economical to purchase one. Mr. Gomez said the telehandler was budgeted and Anderson Machinery was a member of BuyBoard.

A motion was made by Councilmember Carey and duly seconded by Councilmember Martinez to approve the purchase of a Genie Telehandler in the amount not to exceed the budgeted amount of \$65,000. A vote was taken (5:0 all ayes) the motion carried by all present.

XIV. Discussion and appropriate action on appointment of a Historic Preservation Officer to the Historic Landmark Commission to meet the CLG requirements. (Phyllis Santleben, Mayor)

Mayor Santleben briefed the city council on appointment of a Historic Preservation Officer to the Historic Landmark Commission to meet the CLG requirements. Mayor Santleben said she was unaware that the City Administrator was the person to appoint this position. Mayor Santleben felt as a paid position the city council should be the ones to appoint. Mayor Santleben did not know if Priscilla Garrett met the requirements and wanted to look at hiring and the requirements. Mayor Pro Tem Dyer said there was no money budgeted for this position and council should look at during budget talks. Mr. Dyer said this was a volunteer position at this time and had no problem with the City Administrator appointing that position as stated in his job description. City Attorney Habib Erkan said legally with Ms. Garrett being the Chair of the HLC it would be a conflict of interest to be the HPO. He said she would need to resign from the board. Ms. Garrett spoke to council and said she would rather stay on the HLC and if they were in agreement she could continue to help Community Development Coordinator Breana Soto with historic questions until the council could discuss funding the position. Mayor Santleben wanted this to be discussed further at a future meeting.

A motion was made by Councilmember Byars and duly seconded by Mayor Pro Tem Dyer to withdraw and table the request to discuss at a future meeting. A vote was taken (5:0 all ayes) the motion carried by all present.

XV. Discussion and appropriate action on a Budget Amendment to add one full-time equivalent (FTE) Librarian Assistant position and increase the hourly rate for all three part-time library assistants to \$15 per hour for the second half of FY2020. (Herb Dyer, Mayor Pro Tem)

Mayor Pro Tem Dyer briefed the city council on the discussions during budget workshops and removing the full-time position from the Library budget. Mayor Pro Tem Dyer felt that decision was not in the best interest of the city, now. Mr. Dyer felt for safety and efficiency reasons the full-time position was needed and he wished to increase the three part-time employees from \$10.00 to \$15.00 per hour. All additional costs would be implemented in the third quarter of the budget. The budget amendment would be \$21,330.00 with benefits for the full-time position and \$7,800.00 for the increases for the three part-time positions. Mr. Dyer said the Library had only spent 85% of their budget last year and felt they would be able to work within the budget for these changes. Councilmember Martinez asked how the Library could support. Interim City Administrator Vidales said an option was to take out of fund balance or wait and do a transfer later in the year. He felt good with the recommendation. Councilman Carey was in support due safety issues, wanting the Library to run smoothly. Councilmember Byars was in favor if they could make budget. Councilmember Tschirhart was in favor.

A motion was made by Mayor Pro Tem Dyer and duly seconded by Councilmember Carey to approve a budget amendment to add one full-time equivalent (FTE) Librarian Assistant position and increase the hourly rate for all three part-time library assistants to \$15 per hour for the second half of FY2020. A vote was taken (5:0 all ayes) the motion carried by all present.

XVI. Discussion and appropriate action on first quarter Financial Report.
(Leroy Vidales, Interim City Administrator/Finance Director)

Councilmember Byars asked if the council could vote on agenda items 16 and 17 together. Council agreed. Interim City Administrator Leroy Vidales briefed the city council on the first quarter financial report. Mr. Vidales said for the first quarter revenues collected were General Fund – 30%, Utility Fund – 19%, and Airport Fund – 15%. First Quarter expenditures were General Fund – 17%, Utility Fund – 14%, and Airport – 21%. Council was pleased with the report.

A motion was made by Councilmember Carey and duly seconded by Councilmember Byars to approve the first quarter Financial Report. A vote was taken (5:0 all ayes) the motion carried by all present.

XVII. Discussion and appropriate action on first quarter Investment Report.
(Leroy Vidales, Interim City Administrator/Finance Director)

Interim City Administrator Leroy Vidales briefed the city council on the first quarter investment report. Mr. Vidales said the Texas Water Development Board funds were invested in money market funds and staff would continue to monitor.

A motion was made by Councilmember Carey and duly seconded by Councilmember Byars to approve the first quarter Investment Report. A vote was taken (5:0 all ayes) the motion carried by all present.

XVIII. Updates on Capital Improvement Projects: (Oral Report) (John Gomez, Public Works Director)

- CPS Gas Agreement Renewal
- AMI Meters
- Wastewater Treatment Plant
- SCADA

- **Tree Trimming**
- **Electrical System Assessment**
- **City Thoroughfare Plan with TxDOT**

Public Works Director John Gomez briefed the city council on staff working with CPS on the renewal of the Gas Maintenance Agreement. Mr. Gomez said this would be brought to council at a future meeting. AMI Smart meters were being researched. Wastewater Treatment Plant – working with the engineers on the return sludge pumps issues. SCADA System – getting quotes for installation at lift station and would bring back to council. Tree trimming would be brought to city council at the next meeting for approval. The Electrical System Assessment – working with CPS on training to identify issues and they were doing some repairs now. City Thoroughfare Plan with TxDOT – Mr. Gomez, Breana Soto, Mayor Santleben, and Councilmember Carey had met with TxDOT to discuss future growth with the developments. Mr. Gomez said this would be brought back in Task Order #2. Councilmember Carey asked about the smart meters reading in real time. Mr. Gomez said they would. Also discussed was TCEQ issues with storage tank wall, cutting trees on ponds, fencing gone and wall entering park. Mr. Gomez said they were looking at hiring a Dam Engineer to advise. Councilmember Tschirhart asked if the smart meters were electric only and if CPS could help with costs.

XIX. Update from City Administrator on Projects: (Oral Report)
(Leroy Vidales, Interim City Administrator)

- **TIRZ meetings with other entities.**
- **Alsatian Oaks Development.**

Interim City Administrator Leroy Vidales briefed the city council on upcoming TIRZ meetings with the ESD and the Hospital District. Mr. Vidales said he and Clay Binford had attended one ESD meeting and would be attending the next meeting on February 12th to discuss further the city's request. Mr. Vidales said he had met with Hospital CEO Janice Simons a few weeks ago and looked forward to attending their board meeting on February 24th to discuss the TIRZ request. Mr. Vidales said on the update for Alsatian Oaks Development, he and Mr. Gomez had been meeting with Will Collins weekly to work through any concerns. He would be scheduling a meeting with Medina Valley ISD to discuss the development needs. Mr. Vidales said Russell Persyn would be at the next council meeting with an update. Mayor Santleben asked for amount of monies spent so far. Mr. Vidales said there was approximately \$846,000 left from loan and \$46,000 had been approved by council for task order #1 with RESPEC, leaving a balance of \$400,000 to be used for the development. Mayor Pro Tem Dyer asked if there could be any delays to cause the city to not meet the March 24th deadline shown in Phase One of the development agreement. Mr. Vidales said there was none that he was aware of to cause any delays.

Mayor Santleben recessed the meeting to go into Executive Session at 9:18 p.m.

XX. EXECUTIVE SESSION

Pursuant to Texas Local Government Code Section 551.071 (entitled "Consultation with Attorney") City Council shall convene in Executive Session to consult with the City Attorney, regarding pending or contemplated litigation; or a settlement offer; or a matter in which the City Attorney, under the state bar's rules of conduct, is required to disclose confidentially to City Council, related to the contract for the East Side Sanitary Sewer Regional Lift Station Project, and associated performance bond, with RAM II General Contractor and Old Republic Insurance Company.

Open: 9:23 p.m.

Closed: 10:16 p.m.

XXI. RECONVENE IN OPEN SESSION

Mayor Santleben reconvened in open session at 10:18 p.m.

XXII. Consider possible action or give direction on the captioned items discussed in Executive Session

A motion was made by Councilmember Tschirhart and duly seconded by Councilmember Carey to extend the time for final notice of default and termination for 30 days and direct staff and the City Attorney to attempt to negotiate a settlement with the contractor. A vote was taken (5:0 all ayes) the motion carried by all present.

XXIII. Reports from Council Board Liaisons on monthly City Boards and Commissions Meetings

Mayor Pro Tem Dyer said he attended the Historic Landmark Commission meeting.
No other boards had met.

XXIV. Discussion on future agenda items

No items were submitted.

XXV. ADJOURN

Mayor Santleben adjourned the meeting at 10:22 p.m.

Phyllis Santleben
Mayor

ATTEST:

Debra Howe
City Secretary

*Signatures on file